

**立法會**  
**Legislative Council**

LC Paper No. ESC36/07-08  
(These minutes have been  
seen by the Administration)

Ref : CB1/F/3/2

**Establishment Subcommittee of the Finance Committee**

**Minutes of the 7<sup>th</sup> meeting**  
**held in Conference Room A of Legislative Council Building**  
**on Wednesday, 28 May 2008, at 9:00 am**

**Members present:**

Hon LI Fung-ying, BBS, JP (Chairman)  
Hon WONG Kwok-hing, MH (Deputy Chairman)  
Hon James TIEN Pei-chun, GBS, JP  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Dr Hon David LI Kwok-po, GBM, GBS, JP  
Hon Margaret NG  
Hon CHEUNG Man-kwong  
Hon SIN Chung-kai, JP  
Hon WONG Yung-kan, JP  
Hon Howard YOUNG, SBS, JP  
Dr Hon YEUNG Sum  
Hon Emily LAU Wai-hing, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Dr Hon KWOK Ka-ki  
Hon Patrick LAU Sau-shing, SBS, JP  
Hon KWONG Chi-kin

**Member absent:**

Hon WONG Ting-kwong, BBS

**Public Officers attending:**

Miss Amy TSE, JP

Deputy Secretary for Financial Services and  
the Treasury (Treasury)

Mrs Sarah KWOK, JP

Deputy Secretary for the Civil Service

Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Miss Mary CHOW Shuk-ching, JP	Deputy Secretary for Transport and Housing (Housing)/Deputy Director (Strategy), Housing Department
Miss Rosaline WONG Lai-ping	Chief Estate Surveyor/Land Administration, Housing Department
Mr Paul TANG Kwok-wai, JP	Permanent Secretary for Labour and Welfare
Ms Karyn CHAN Ching-yuen	Principal Assistant Secretary for Labour and Welfare (Manpower)
Mrs Carrie YAU TSANG Ka-lai, JP	Permanent Secretary for Home Affairs
Ms Esther LEUNG Yuet-yin, JP	Deputy Secretary for Home Affairs (WKCD)
Mr Danny LAU Kam-chuen	Principal Assistant Secretary for Home Affairs (WKCD)

**Clerk in attendance:**

Ms Debbie YAU	Senior Council Secretary (1)1
---------------	-------------------------------

**Staff in attendance:**

Mrs Constance LI	Assistant Secretary General 1
Mr Justin TAM	Council Secretary (1)3
Mr Simon CHEUNG	Council Secretary (1)1
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

The Chairman drew members' attention to an information paper (ECI(2008-09)2) provided by the Administration before the meeting, which set out the latest changes in the directorate establishment approved since 2002.

**EC(2008-09)4**      **Proposed retention of one supernumerary post of Chief Estate Surveyor (D1) in Housing Department for a period of two years with effect from 7 July 2008 for taking charge of the duties related to the transfer of legal titles for retail and car-parking facilities sold to The Link REIT and the sale of surplus Home Ownership Scheme and Private Sector Participation Scheme flats**

2.      The Chairman informed members that the Panel on Housing (Housing Panel) was consulted on the proposal at the meeting on 3 March 2008.

3. Mr Howard YOUNG expressed support for the proposal. He noted that as at April 2008, the Housing Authority (HA) had only transferred the legal titles for 44 properties to The Link Real Estate Investment Trust (The Link REIT), leaving 60 properties with titles yet to be assigned. He was concerned whether duties related to transfer of titles for the remaining 60 properties could be completed within the coming two years before the lapse of the supernumerary post in July 2010. He asked about the future plan if it was subsequently found that a small part of the title transfer programme could not be completed on time.

4. In response, the Deputy Secretary for Transport and Housing (Housing)/Deputy Director (Strategy), Housing Department (DS(H)) said that based on existing regulatory requirements and experience gained in resolving complications of individual estates, the Administration's latest estimate was that the lease procurement and title assignment programme for divested properties would not be completed before early 2010. Notwithstanding this, the Administration considered it prudent to build in some flexibility for wrapping up and coping with any complications arising from unexpected requirements. Therefore, some leeway had been allowed for by keeping the supernumerary post up to July 2010. In the unlikely event that title transfer for some properties was still outstanding upon the lapse of the post in July 2010, the Housing Department (HD) would exhaust all possibilities of internal re-deployment to absorb the work. She assured members that HD would take every possible measure to ensure the timely completion of the work.

5. Ms Emily LAU indicated her support for the proposal. She noted that the work involved in the procurement programme turned out to be much more complicated and onerous than originally anticipated because of the need to address new requirements introduced by various Government departments. While HD could seek additional resources to cope with the increased workload, it was not the case in the business sector which had to absorb the additional workload by internal redeployment. As such, she urged the Government to take into account the cost of compliance shouldered by outside parties when considering the need to introduce new requirements.

6. DS(H) explained that the increased workload resulting from the new requirements included, among other things, revisions to the Model deeds of mutual covenant (DMCs) arising from the updated DMC requirements and legislative amendments. All these requirements had not been envisaged when the existing supernumerary Chief Estate Surveyor (CES) (D1) was created in July 2006. Therefore, the Administration now proposed to retain the supernumerary post for another two years. The Chief Estate Surveyor/Land Administration, Housing Department (CES/LA) supplemented that some of the new requirements, such as the certification of the gross floor area under a lease, were introduced in response to the changing needs of the society. The new requirements necessitated more frequent liaison and negotiation with relevant departments, such as the Lands Department and the Planning Department, to address diverse concerns of different stakeholders on various issues. Therefore, HD was unable to finish the transfer of legal titles of all properties sold to The Link REIT before the original target date. Nevertheless, HD

would endeavour to speed up the work progress.

7. Ms Emily LAU said that the Administration had not addressed her concern. She pointed out that in the present case, the funding involved in the staffing proposal was about \$3,238,000 per annum which was quite substantial and would not be affordable to the business sector. As such, she urged the Government to have regard to the compliance cost of the business sector when considering the need for introducing new requirements. CES/LA responded that the new requirements, such as revisions to the Model DMC, were needed to address public concerns and applicable equally to government and non-government bodies without exemption to the concerned HA properties.

8. Ms Emily LAU sought the Administration's explanation on why the sales work of surplus Home Ownership Scheme (HOS) and Private Sector Participation Scheme (PSPS) flats was far more complicated than originally planned. CES/LA said that to minimize possible impact the sales might have on the private property market, a flexible approach in the sale programme had been adopted to ensure that the HOS/PSPS flats would be released to the market in a progressive and orderly manner. Moreover, the logistics arrangement regarding the sale of completed flats was more complicated. Unlike flats under construction, the sale of vacant flats in occupied courts required tactful strategic planning and negotiation with the Owners Corporations concerned and local pressure groups on the arrangements of pre-sale maintenance works and the provision of on-site show flats for viewing purpose.

9. Miss Margaret NG indicated support for the staffing proposal. However, she considered that the transfer of legal titles for divested properties and the logistics arrangement arising from the sale of flats were usual conveyancing work. Moreover, there was a lead time before the new legislative amendments came into force. Therefore, HD should be able to envisage the workload when the existing supernumerary CES post was created two years ago. Ms NG asked about the details of HD's preparatory work for the transfer of legal titles two years ago.

10. CES/LA responded that the preparation work for the listing of The Link REIT commenced in 2003 and HA had formulated plans according to the then situation. Owing to the large number of properties under the divestment portfolio and the long lead-time required for the HA to procure legal titles for those properties held under vesting orders at the time when The Link REIT was listed in November 2005, it was only possible to transfer to The Link REIT the legal titles for 76 facilities out of the 180 facilities sold to it. For the remaining 104 facilities, only beneficial ownership had been transferred at that time. HA had initiated liaison and negotiation with relevant departments at the planning stage, and it was HA's then intention to transfer the legal titles of the remaining properties to The Link REIT upon procurement of the government leases concerned in batches by mid-2008. The original target completion date was drawn up based on the then prevailing legal, regulatory and administrative requirements. Subsequent new requirements introduced by various Government departments after the divestment exercise from August 2006 onwards had added complications to the procurement process, rendering the original target completion date unachievable. These could not have

been envisaged when the original target was set and the supernumerary CES post was created. HA had tried its best to speed up the work progress, including the engagement of six temporary staff on contract terms to deal with the increased workload.

11. Miss Margaret NG considered that the unanticipated complications arising from the new requirements had reflected that there should be closer coordination among government departments, especially when new requirements were to be introduced. There should also be better preparatory planning to avoid unnecessary delays in the implementation of new schemes or requirements.

12. The item was voted on and endorsed.

**EC(2008-09)5                      Proposed retention of one supernumerary post of Administrative Officer Staff Grade B (AOSGB) (D3) in Labour and Welfare Bureau of Government Secretariat for a period of two years with effect from 1 August 2008 to enable the continued secondment of a civil servant to the Employees Retraining Board**

13. The Chairman informed members that the Panel on Manpower (Manpower Panel) was consulted on the proposal at the meeting on 24 April 2008.

14. Mr KWONG Chi-kin, Deputy Chairman of the Manpower Panel, reported that members of the Panel had no objection to the staffing proposal. However, they expressed concern whether the retention of the supernumerary post for two years would be subject to further extension given that the Employees Retraining Board (ERB) would need at least three years to implement the expansion of the Employees Retraining Scheme (ERS) and the review proposals in phases. The Administration advised that it would closely monitor and keep under review the progress of the implementation of the proposals. If the review to be conducted after the first year of the implementation showed that the progress was satisfactory and there was no need to further extend the duration of the supernumerary post, ERB would start the preparation work for open recruitment so that a suitable person could be recruited in time to fill the Executive Director (ED)/ERB post.

15. Mr WONG Kwok-hing expressed concern that the Administration proposed to retain the supernumerary post only for two years. Dr KWOK Ka-ki noted that it would take at least three years to implement the expansion of ERS and the review proposals in phases. He asked whether there would be a problem if the supernumerary post would only last for two years.

16. The Permanent Secretary for Labour and Welfare (PSLW) responded that while the initial assessment was that ERB would need at least three years to implement the expanded ERS and the review proposals in phases, the first two years would be more critical when a comprehensive range of ERB initiatives would be launched. Therefore, the Administration considered it essential to retain the

supernumerary post for the secondee to ensure a smooth start. Depending on the progress of the implementation of the review recommendations, the Administration planned to commence the preparation work for open recruitment for the post of ED/ERB after the first year of implementation, so that the new ED/ERB could follow up and oversee the implementation of the review recommendations in the subsequent phases.

17. Ms Emily LAU referred members to paragraphs 5 and 7 of the Administration's paper (LC Paper No. EC(2008-09)5), which stated that ERB was expected to submit a report on its final recommendations to the Government in mid-2008, and that the launching of a wide range of review recommendations was "subject to the Government's endorsement of the ERB's final report". In this connection, she asked about the reasons for the Administration to submit the staffing proposal to the Establishment Subcommittee (ESC) before endorsement of the final report by the Government.

18. In response, PSLW said that the supernumerary post of AOSGB was created about two years ago to enable the secondment of a civil servant to serve as ED/ERB who had to, inter alia, conduct a strategic review on the future role and functions of ERB. The civil servant secondee, as the ED/ERB, had fulfilled the role expected of her during the past two years of secondment. ERB had submitted a draft report on the strategic review to the Government which had indicated support in principle for the general direction of the review. ERB then had conducted a public consultation on the review proposals from January to March 2008. ERB was now consolidating views collected and would submit the report on its final recommendations to the Government in mid-2008. As it was envisaged that another two years would be required for the secondee to take forward the review recommendations to ensure a smooth start, the Administration proposed to retain the supernumerary post for another two years.

19. Ms Emily LAU advised that the Administration should include the above information in the discussion paper to ESC. In response to Ms LAU's further enquiry, PSLW assured members that the Administration would revert to the Manpower Panel after the Government had considered ERB's final recommendations.

20. Mr KWONG Chi-kin expressed support for the staffing proposal. With the increased workload arising from the expanded ERS to meet the training needs of the new target clientele, and the need to manage the substantial accumulation in the Employees Retraining Fund, he considered it necessary to retain the supernumerary post for the continued secondment of a civil servant with solid management and administrative experience to fill the ED/ERB post. The labour sector was concerned about the positioning of the future ERB and considered that it should continue to target at providing retraining for the unemployed. Nevertheless, he advised that after the implementation of the review proposals for the first two years, the ED/ERB post should be filled by way of open recruitment.

21. The item was voted on and endorsed.

**EC(2008-09)6                      Proposed creation of three supernumerary posts of one Administrative Officer Staff Grade B (D3), one Administrative Officer Staff Grade C (D2) and one Chief Treasury Accountant (D1) in Home Affairs Bureau of Government Secretariat for a period of two years with effect from 1 July 2008 to co-ordinate efforts to implement the West Kowloon Cultural District project**

22.     The Chairman informed members that the Panel on Home Affairs was consulted on the proposal at the meeting on 11 April 2008.

23.     Ms Margaret NG considered it justifiable to set up a dedicated team (the WKCD Office) in the Home Affairs Bureau (HAB) to facilitate early and effective implementation of the West Kowloon Cultural District (WKCD) project. However, she was concerned whether the WKCD Office would be able to carry out all the duties, as set out in paragraph 6 of the Administration's paper (EC(2008-09)6), at the pre-establishment stage and the early stage after the establishment of the WKCD Authority (WKCDA). She said that in scrutinizing the WKCDA Bill, members of the Bills Committee were very concerned about the mechanism in the appointment of members to the WKCDA Board and in the recruitment of the Chief Executive Officer (CEO). The Bills Committee was keen to ensure that the appointment and recruitment would be conducted in an open and fair manner. They considered that appointments to the WKCDA Board and the CEO post should be recommended by an independent panel based on objective criteria, and approved by the Chief Executive (CE) and WKCDA Board respectively. If the appointment and recruitment mechanisms were incorporated in the Bill, Ms NG was concerned whether there would be adequate manpower in the proposed WKCD Office to implement such procedures.

24.     The Permanent Secretary for Home Affairs (PSHA) said that the Administration took note of the Bills Committee's concerns about the appointment procedures of the WKCDA Board and the CEO. She advised that the Administration would follow the established practices of local statutory bodies in appointing members to the WKCDA Board. As regards the composition of the WKCDA Board, all organizations or individuals could nominate suitable persons for CE's consideration for appointment to the Board. The recruitment of CEO and other senior executives would be a matter for the WKCDA to decide after its establishment. She believed that in line with good corporate governance practice, WKCDA would conduct global search in the recruitment of the CEO. PSHA assured members that the WKCD Office would deploy manpower to provide support for the appointment of members to the WKCDA Board in accordance with the statutory requirements.

25.     Ms Margaret NG considered that to achieve good corporate governance, WKCDA should conduct the recruitment of CEO in a serious and transparent manner, and the remuneration packages for the CEO should be made known to the

public. PSHA responded that she believed WKCDA would make public the information in line with the practices of other statutory bodies.

26. Considering the WKCD project the largest cultural venture ever launched by the Administration, Dr KWOK Ka-ki said that the Administration's financial analysis for the \$21.6 billion endowment was unrealistic. Dr KWOK queried the roles and responsibilities of the three proposed supernumerary directorate posts, for example, whether they would have the responsibilities of drawing up the organizational structure as well as the financial and personnel management framework for the WKCDA. Dr KWOK noted that one of the duties of the proposed Chief Treasury Accountant (CTA) (D1) was to provide accounting and financial advice on issues relating to monitoring of the WKCDA's performance, including helping WKCDA to manage the proposed upfront endowment of \$21.6 billion during the initial period. He considered this task was of paramount importance and asked whether the CTA would be held responsible for any financial shortfall in project development.

27. PSHA explained that as an independent statutory body, WKCDA would formulate its personnel policy and draw up job descriptions for its employees. The Deputy Secretary for Home Affairs (WKCD) (DSHA) advised that the proposed CTA post was mainly to assist the Administration to discharge its statutory responsibility of ensuring the prudent management of resources on the part of the WKCDA. Specifically, the CTA would provide professional support on matters relating to the Financial Secretary (FS)'s statutory powers under the WKCDA Ordinance in respect of financial and accounting arrangements. For example, the WKCDA would be required to prepare audited statements of accounts to FS each year, and to provide information relating to its investment, loans and savings.

28. Mr James TIEN said that the Liberal Party was supportive of the WKCD project. However, he queried whether it would be appropriate for the proposed CTA, a D1 officer only, to manage the proposed upfront endowment of \$21.6 billion. He was also concerned whether the WKCDA, which should mainly comprise of members well-versed in arts and cultural performances, would possess the required expertise in managing the endowment fund. He suggested that the WKCDA should set up a committee on financial management and invite experts from Government or Hong Kong Monetary Authority to chair the committee. Since the bulk of the funds in the endowment would have to be spent in the first few years, Mr TIEN considered that the CTA post should last for more than two years.

29. PSHA explained that the WKCD Office would act as the focal point for co-ordinating interfacing work between the WKCDA and the Government on all aspects relating to the implementation of the WKCD project. In respect of financial management of WKCDA, the proposed CTA would co-ordinate the handling of all relevant financial issues arising from the WKCD project that require Government's scrutiny under the WKCDA Ordinance. The incumbent would need to discuss with relevant parties within and outside the Government on WKCDA's investment plans to ensure that the WKCDA would invest its resources in a financially prudent manner to achieve a reasonable return. The Administration

noted that the Bills Committee on the WKCD Bill was considering strengthening the financial control mechanism to enhance accountability and transparency. On the duration of the three proposed posts, PSHA said that in addition to providing the necessary support for the establishment of the WKCD, the WKCD Office would also assist the WKCD to formulate the Development Plan (DP). Taking into account the complexity of the issues involved and the time required to undertake a thorough public consultation exercise, it was expected that it would take about two years to complete the DP. During this period, the WKCD Office would provide the necessary administrative support to the WKCD for the recruitment of its CEO and senior executives. It would also put in place a control and monitoring system for enforcing the relevant provisions in the WKCD Bill upon enactment.

30. Ir Dr Raymond HO expressed his support in principle for the staffing proposal. Noting the scope of responsibilities for the three proposed posts as outlined in paragraph 6 of the Administration's paper (EC(2008-09)6) and given the timeline for completion of the project, he considered that the posts should be created for three years. In setting up the WKCD Office, Ir Dr HO suggested that the Administration should draw on the experience of the New Airport Projects Coordinating Office which was a public-private team set up by the Government in 1990 to assist the Airport Authority in the construction of the new airport at Chek Lap Kok.

31. Mr Abraham SHEK expressed support for the proposed creation of the three supernumerary directorate posts. However, he considered that the WKCD Office should also comprise other professional staff, such as engineers, planners and architects in order to provide the necessary support for the development of the DP. Prof Patrick LAU expressed similar concerns. PSHA responded that other non-directorate posts and staff in various government departments would also provide support to the WKCD office. If necessary, the departments would propose to create additional posts in accordance with the established mechanism.

32. Ms Emily LAU said that while she supported in principle for the proposal, she had reservation about the implementation of M+. Although the public had expressed strong support for the early implementation of the WKCD project during the public engagement exercise, they might not support the establishment of M+ which was a new concept unfamiliar to most people. She considered that M+ was in no way comparable to overseas museums such as the Pompidou Centre in Paris which had a century-long history and rich collections of art items. It was unrealistic for the Administration to expect M+ to build up its reputation in just a decade's time by spending merely \$1 billion on acquiring collections. Ms LAU said that while she did not object to the provision of performing venues and exhibition centres for arts and cultural appreciation by the public, she doubted whether the income generated by rentals from retail, dining and entertainment (RDE) facilities could meet the operating deficits of M+, as pointed out by the Specialist Advisor engaged by the Subcommittee on WKCD Development to study the financial aspects of the WKCD Project. Ms LAU considered that the dedicated team in the WKCD Office should have the responsibility to allay public concern about the viability of M+.

33. Mr Abraham SHEK expressed similar concerns and called on the Administration to give serious consideration about the development and operation of M+.

34. PSHA highlighted that being a platform for visual culture, M+ would be a new and emerging cultural institution for the 21<sup>st</sup> Century. The concept of M+ would align with the contemporary role and functions of museums to communicate with and inspire visitors. On the financial sustainability of M+, PSHA pointed out that most museums in the world were loss-making. Based on the financial analysis of its Financial Adviser, the Administration would adopt a prudent financing approach to develop M+, and its operating deficit would be met by a steady source of recurrent income through RDE rental proceeds in WKCD. PSHA stressed that the proposed establishment of M+ was recommended by the Consultative Committee (CC) on the Core Arts and Cultural Facilities of the WKCD. There was general support for the concept of facility mix, including M+, during the public engagement exercise conducted by CC. The local arts and cultural community was also generally supportive of the M+ project. In response to Ms Emily LAU's further query, PSHA and DSHA advised that during the public engagement exercise, three public fora, a series of roving exhibitions held at 28 venues, and 40 sector-specific briefings had been organized. Members of the public were encouraged to express their views by joining the on-line discussion fora, completing the wish cards and responding to telephone polls. Some 70% to 80% of the respondents had indicated their support towards the WKCD project, and so far, there were not many objections against M+.

35. Dr KWOK Ka-ki was unconvinced of the Administration's explanation. He considered that the question format of the wish card used for the public engagement exercise was misleading and he could not accept the findings. He understood that the CC was unaware of the project cost and the recurrent expenditure when it made the recommendations for developing the WKCD project. Dr KWOK therefore requested the dedicated team to conduct another round of public consultation on the development of M+. PSHA said that to facilitate its development, the Administration was prepared to enhance public understanding about the M+ project. If necessary, the Administration would gauge further views from the public.

36. Prof Patrick LAU held a different view and defended the development of M+. According to his understanding, M+ would have four initial groupings, including design (such as architecture, fashion, graphic etc), moving image (such as film, video and television), popular culture (such as advertising and comics) and visual arts (including ink art). The theme of M+ would be to perceive and interpret things from a "Hong Kong perspective". While appreciating the idea of promoting public understanding of M+, Prof LAU considered that the task should be undertaken by experts who had a clear understanding of the development plan and could introduce the concept of M+ to the public. He also suggested that reference should be made to similar museums in Frankfurt and other places in taking forward the M+ project.

37. Ms Emily LAU considered that putting up an interim M+ was a good idea to enlighten the public about the permanent M+. However, she disagreed to the idea of setting up the interim M+ at the former premises of the Royal Hong Kong Yacht Club in Oil Street, North Point. She said that consideration should be given to using the existing museum premises for the purpose.

38. The Chairman put EC(2008-09)6 to vote. Nine members voted for the proposal and one member abstained. The voting results of individual members were as follows:

*For:*

Mr WONG Kwok-hing  
Ir Dr Raymond HO  
Ms Margaret NG  
Dr CHEUNG Man-kwong  
Mr SIN Chung-kai  
Mr WONG Yung-kan  
Mr Abraham SHEK  
Prof Patrick LAU  
Mr KWONG Chi-kin

*Abstain:*

Ms Emily LAU

39. The item was endorsed.

#### **Request for supplementary information to EC(2007-08)11**

40. The Chairman informed the meeting that ESC received a letter from Mr CHEUNG Man-kwong on 26 May 2008 seeking supplementary information from the Administration. At the invitation of the Chairman, Mr CHEUNG explained that Members and the public were very concerned that the Administration had declined to disclose the remuneration offered to the eight newly appointed Under Secretaries on grounds of privacy. He recalled that when ESC was invited to consider the proposal for the creation of Deputy Director of Bureau positions on 28 November 2007, the relevant ESC paper (EC92007-08)11) only stated that the remuneration for the Under Secretary (at the rank of Deputy Director of Bureau) would pitch at 65%, 70% or 75% of the remuneration for a Director of Bureau. Now that the appointment of the Under Secretaries had been announced, Mr CHEUNG considered that the Administration should apprise ESC of the remuneration packages offered to the individual appointees.

41. The Chairman advised that the LegCo Secretariat had conveyed Mr CHEUNG's request to the Administration. The Administration had indicated that the matters concerning nationality and remuneration of Deputy Directors of Bureau and further development of the Political Appointment System would be discussed at a meeting of the Panel on Constitutional Affairs (CA Panel) scheduled for 16 June 2008. The Administration would work with the Panel and provide a

paper for discussion at the meeting on 16 June. The Chairman said that ESC could request the Administration to provide supplementary information in respect of the remuneration packages for the political appointees.

42. Ms Margaret NG expressed grave concern that it was unprecedented for the Administration to refuse to disclose the remuneration offered to senior officials even after their appointment. She considered that it was a basic requirement for Government to make public the remuneration of senior officials as their remuneration was paid from public purse and approved by LegCo.

43. Ms Emily LAU considered that the Government should announce immediately the remuneration packages offered to each individual appointee. She was very concerned that the Government had made special arrangements for the newly appointed officials under the Political Appointment System. As she understood, unlike the Principal Officials who were subject to the provisions in the "Code for Officials under the Political Appointment System", the new politically appointed officials were bound by another code which, to her surprise, was still under preparation. As the first batch of new appointees would report duty in early June, existing civil service staff had expressed concern about their working relationship with the new political appointees. Ms LAU also noted that some political appointees were allowed to retain their former positions while taking up the political appointments. Ms LAU stressed that this had set a bad precedent for the Political Appointment System. On the issue of nationalities, Ms LAU considered that although Deputy Directors of Bureau were not among the positions that were subject to nationality restriction under the Basic Law, the Government should clarify its stance over the controversial issue without further delay. She was keen to ensure that the CA Panel would discuss the matter as early as possible.

44. At this juncture, the Chairman announced that the meeting was extended for 15 minutes until 10:45 am.

45. Mr WONG Kwok-hing stressed that it was the duty of ESC members to ensure the proper use of public money in staff establishment matters. The Administration had the responsibility to provide the information on the remuneration packages for the new political appointees. He considered that as the Under Secretaries and Political Assistants might be offered remuneration at different points of the respective remuneration of a Director of Bureau, the Administration should at least provide information on the numbers of appointees who were offered remuneration at different points. On the issue of nationality, Mr WONG considered that the political appointees should give up foreign citizenship to show their commitment to serving Hong Kong. Mr WONG Yung-kan agreed that the matter should be dealt with by the CA Panel at its meeting.

46. Dr KWOK Ka-ki supported Mr CHEUNG Man-kwong's request for information on the remuneration packages for the new political appointees. He pointed out that the proposal of creating two additional layers of political appointment positions was intended to enable the Government to have a wider spectrum of expertise for better governance and to groom all-round talents in public

affairs. However, the Administration's present way of handling the appointment of the political appointees had caused the public to lose confidence on the development of the Political Appointment System. Dr KWOK considered the Administration should provide the information, including remuneration packages and nationalities of individual Under Secretaries immediately, and Members would discuss the matter further at the CA Panel meeting to be held on 16 June 2008.

47. Mr Abraham SHEK held a dissenting view and considered the Government's present way of handling the appointment of political appointees appropriate.

48. The Chairman advised that Mr CHEUNG's request had the support of the majority of members present at the meeting. The Administration would be requested to provide information on the remuneration packages for the individual political appointees for Members' information.

49. The Subcommittee was adjourned at 10:43 am.